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EUR/EX FOR JOEL DANIES; RM/CFO FOR DONNA BORDLEY

E.O. 12958: N/A

TAGS: AMGT ENRG AJ

SUBJECT: REQUEST FOR PERMISSION TO SOLICIT FUNDS

REF: BAKU 319 2006

¶1. This is an action request - please see paragraph 5.
Reply requested NLT Friday March 23.

¶2. The 2007 Caspian Oil and Gas Show (COGS) will be held on June 5-8, 2007, here in Baku. This annual event has thousands of attendees and is the largest oil and gas show in the region. COGS 2006 hosted 360 exhibitors from 33 countries (including a dozen major U.S. firms) and approximately 10,000 registered visitors in 2006. Similar numbers of U.S. energy and energy services companies are expected to attend this year.

¶3. Given the importance of Caspian Basin energy issues to our political, economic, and commercial agenda here, the U.S. Embassy in Baku plays an active role in COGS, staffing a booth along with the U.S.-Azerbaijan Chamber of Commerce and supporting American participants. The centerpiece of our efforts is the large reception jointly hosted with the British Embassy the first night of the show (this year, June 5). Around one thousand industry and government officials are invited, and many American companies cite this reception as the best opportunity to network with colleagues and potential customers. We split the cost 50-50 with the British Embassy. The reception qualifies as a trade promotion event under the criteria defined in 2 FAM 962.1-5b(1).

¶4. The estimated 2007 cost for the U.S. Embassy's share of the joint event is USD 14,000. Since we began sponsoring these receptions in 1995, we have defrayed the U.S. Embassy's share of the cost via voluntary donations provided by U.S. energy and energy services companies active in the region. Donated funds are deposited in a special account which may only be accessed to meet specified reception costs. USD 5,062.16 remains from the 2006 reception solicitation and we would like to apply this amount towards 2007 reception expenses.

¶5. ACTION REQUEST: In accordance with 2 FAM 962, we request authorization to solicit voluntary donations for this event and to use the balance left over from 2006. The text of the proposed U.S. Embassy solicitation letter and a list of companies to be solicited is provided in paragraphs 6 and 7 below; apart from the dates and other, nonsubstantive changes, it is the same text as that approved by the Department in 2006. None of the companies does business with the embassy. Department approval is requested NLT March 23, 2007, to permit smooth organization of the event and to help avoid a conflict with our Fourth of July Reception fund-raising activities.

¶6. (Begin Draft Text of Donation Solicitation Letter):

Mr. John Doe

U.S. Energy Company
Baku, Azerbaijan

Dear Mr. Doe:

The 2007 Caspian Oil and Gas Show June 5-8 will be an important event for the energy industry. As in years past, the American and British Embassies are organizing a reception in support of the show for industry and key government officials. The reception is planned for the evening of June 5, at the Park Hyatt hotel. I write to request your assistance in ensuring that the joint U.S./U.K. reception achieves its goal of giving you an opportunity to meet in an informal setting with colleagues and potential customers.

As a part of this, the U.S. Embassy seeks sponsorships to defray part of the reception's cost. Let me be clear that in accordance with U.S. Government policy of avoiding conflicts of interest as well as the appearance of impropriety, your assistance is not required and is not tied to any services you can expect from the U.S. Embassy in Baku.

I hope that you, as a representative of an American business operating overseas (or, for non-U.S. firms, "as a representative of a business with substantial American interests"), can provide some financial support for the reception. Estimated cost of the U.S. Embassy's share of the reception is about USD 14,000. Any contribution you can make to help defray this cost will be greatly appreciated. If your company chooses to contribute, please return your contribution payable to the United States Embassy in Baku and direct it to Energy Officer Alan Eyre (498-0335, ext. 4373) or to Political-Economic Office Manager Linda Loth (ext. 4242). The welcome banner at the reception will display the corporate logos of all contributors.

The U.S. Embassy is responsible for half of the approximately 1,000 guests invited to the reception. We have already begun to work on the acquisition of goods and services to support the reception. As U.S. Government regulations require us to have financial donations in hand before we can commit any money to these goods and services, we kindly ask that, if you are able to make a contribution, that you do so as soon as possible. In order to make sure that your corporate logo appears on the welcome banner, we will need to have your contribution by May 20. Should you donate, we would be pleased to acknowledge your company's support at the reception itself.

I hope that ((company name)) will be able to support the joint U.S./U.K. reception at the 2007 Caspian Oil and Gas Show. Do not hesitate to contact me if you have any questions.

Sincerely,
Anne E. Derse
Ambassador

NOTE: Ambassador will add a postscript on letters to companies that contributed in 2006 saying "Thanks again for your generous support in 2006!" (End Draft Text of Donation Solicitation Letter)

¶7. The proposed solicitation letter will be sent to the following U.S. energy and energy service companies active in Azerbaijan:

--AIG
--Amerada Hess
--Azeri MI Drilling Fluids
--Baker Hughes Azerbaijan
--Bechtel
--BJ Services
--Caterpillar Borusan-Makina Services
--Caspian Geophysical
--Caspian Oil Services
--Caspian Region Oilfield Services
--Chevron

--Conoco-Phillips
--Cooper Cameron
--Technip-Coflexip
--Devon Energy
--Emerson
--Exxonmobil
--Foxboro
--Halliburton International
--Karasu Operating Company
--Marsh Caspian Services
--McDermott International
--Oxus Energy
--Petro-Alliance
--Reed Hycalog
--Spie Capag Petro-Fac International
--Santa Fe Caspian Drilling
--Schlumberger
--Smith Bits
--Tidewater Marine
--Transoceanic

¶8. Please note that, in accordance with reftel, the Embassy is not currently involved in any ongoing advocacy effort for these companies.

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